

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTIA 05725 202103Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 PM-07 NSC-07 SP-03 SS-20 RSC-01 CIAE-00

DODE-00 INR-11 NSAE-00 PA-04 USIA-15 PRS-01 EB-11

AID-20 TRSE-00 OPIC-12 COME-00 CIEP-03 OMB-01 CEA-02

FRB-03 STR-08 XMB-07 DRC-01 /158 W

----- 094489

P 201924Z SEP 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 0359

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA PRIORITY

AMEMBASSY QUITO

LIMITED OFFICIAL USE SANTIAGO 5725

E.O. 11652: N/A

TAGS:ECON, ECIN, EINV, CO, VE, EC, PE, CI, BL

SUBJECT: ANDEAN PACT DISCUSSIONS OF CHILEAN INVESTMENT LAW

REF: LIMA 7791

1. IN COURSE OF CALL TO DISCUSS ANOTHER SUBJECT, EMBOFF
INQUIRED ABOUT PROGRESS OF LIMA TALKS ON CONSISTENCY OF CHILEAN
INVESTMENT LAW WITH ANDEAN PACT'S DECISION 24. THOUGH
FONOFF OFFICIAL WITH WHOM HE SPOKE MADE IT CLEAR THAT VIEWS
HE EXPRESSED WERE PERSONAL, WE THINK THAT THEY PRETTY CLOSELY
REFLECT THINKING IN AREAS OF GOC RESPONSIBLE FOR INVESTMENT
POLICY.

2. FONOFF CONTACT SAID THAT HE EXPECTED TALKS WOULD RESULT IN
COMPROMISE IN WHICH CHILE WOULD MAKE BOWS IN THE DIRECTION
OF ANDEAN PACT SOLIDARITY ON FOREIGN INVESTMENT AFTER SOME
MODIFICATIONS WERE MADE IN DECISION 24 GIVING GOVERNMENTS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTIA 05725 202103Z

GREATER FLEXIBILITY TO FORMULATE INVESTMENT POLICY APPROPRIATE

TO PARTICULAR CIRCUMSTANCES. HE CLAIMED OTHER ANDEAN COUNTRIES HAD ALSO VIOLATED DECISION 24, CITING BOLIVIA'S INVESTMENT POLICY IN PARTICULAR AS BEING AT ODDS WITH THE ANDEAN PACT INVESTMENT CODE. SINCE BOLIVIA HAS VERY LIMITED ECONOMIC IMPACT ON OTHER ANDEAN COUNTRIES, NO HACKLES HAVE BEEN RAISED. HOWEVER, GOC BELIEVES BOLIVIANS ARE IN NO POSITION TO POINT ACCUSING FINGER AT CHILE. COLOMBIA AND ECUADOR, HE SAID, WERE ALSO FAIRLY RELAXED ABOUT CHILE'S INVESTMENT LAW.

3. EVEN THOUGH VENEZUELA AND ESPECIALLY PERU HAD TAKEN HARD STAND AGAINST DEVIATIONS FROM COURSE PROJECTED IN ANDEAN CODE, OUR SOURCE THOUGHT THAT THEY TOO WOULD BE RELUCTANT TO ACCEPT CONSEQUENCES OF EXCLUDING CHILE FROM PACT. HIS VIEW WAS THAT OTHER COUNTRIES RECOGNIZED THAT AN ANDEAN GROUP WITHOUT CHILE WOULD HAVE MUCH LESS LEVERAGE IN NEGOTIATIONS WITH LARGE LA COUNTRIES MENTIONING SPECIFICALLY BRAZIL, MEXICO AND ARGENTINA. THEY WOULD THEREFORE OPT FOR COMPROMISE WHICH WOULD ALLOW CHILE TO HEW TO ITS PRESENT POLICY TOWARD FOREIGN INVESTMENT PROVIDED CHILE REAFFIRMED ITS SUPPORT FOR THE ANDEAN CODE AS FACE-SAVING GESTURE FOR ANDEAN HARD-LINERS.

4. CHILE DELEGATION WAS RETURNING TO LIMA ON SEPTEMBER 19 FOLLOWING CONSULTATIONS IN SANTIAGO.
POPPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT LAW, MEETINGS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA05725
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740265-0381
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740927/aaaaawsa.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LIMA 7791
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <03 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANDEAN PACT DISCUSSIONS OF CHILEAN INVESTMENT LAW
TAGS: ECON, ECIN, EINV, CO, VE, EC, PE, CI, BL, ANDEAN PACT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005